

Fitting Missing Middle Housing & Accessory Dwelling Units in Champaign

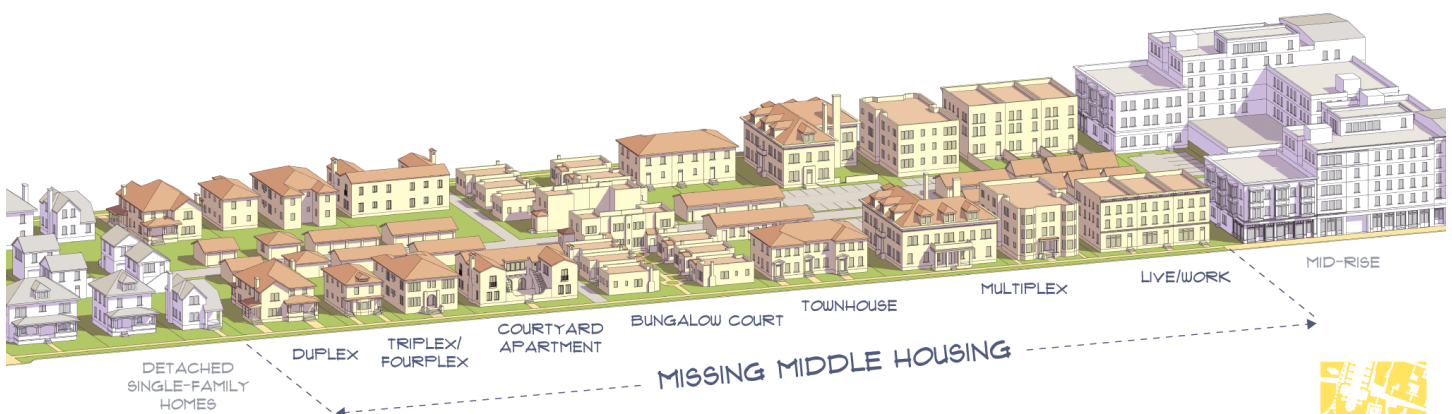
Part of the City of Champaign Comprehensive Plan Update 2020



Katherine Trotter | Masters of Urban Planning | Class of 2020
University of Illinois, Urbana-Champaign

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INTRODUCTION

The population and demographic changes nationwide from the 1950s until today have influenced housing demand in different ways. There have been significant changes in what people look for in housing. Consider the major generational shifts from the 1950s until now: the Baby Boomer generation is aging and seeking opportunities to age in place, the Generation Z is entering the workforce, Millennial generation is seeking affordable housing opportunities, oftentimes in denser urban areas. The middle class is also shrinking, and more adults are opting to live alone or with their parents. In the City of Champaign, there is a mismatch between housing supply and the changing housing demands of the community's population.

Opticos Design has coined the term “missing middle housing”, which refers to “a range of multi-unit or clustered housing types – compatible in scale with detached single-family homes – that help meet the growing demand for walkable urban living.” Missing middle housing bridges the gap in housing supply between single-family detached homes and large-scale apartment buildings. Missing middle housing is designed to fit within the fabric of existing, functional neighborhoods. This type of housing can come in many forms, and it includes a historical element. Missing middle housing is designed to create a walkable environment, with access to amenities. These housing types generally do not exceed the size of a single-family house and mix well with other building types in the area. Missing middle housing can be for sale or for rent, which pertains to all neighborhood residents. This helps to create a sense of community within the building and the neighborhood as a whole. A variety of housing types characterize the missing middle including duplexes, carriage houses, townhomes, and live/work buildings.

Accessory dwelling units are also a feature of missing middle housing. Accessory dwelling units are additional living spaces on the same lot as a primary residential structure, typically a single-family home. Accessory dwelling units can take many forms. They can be built internally, for example a garage or a basement converted into a living space, or structures built on as additions to existing homes. They can also be stand alone structures. Accessory dwelling units make it possible for older populations to age in place. Units attached to or on the same lot as single-family dwellings can allow for aging parents to live with their caregivers or adult children, with an added degree of privacy. Accessory dwelling units appeal to the millennial generation as more flexible, affordable renting options in established neighborhoods. Increased diversity in the housing market adds flexibility and helps to accommodate the changing demographics of American communities.

While missing middle housing and accessory dwelling units appeal to countless diverse housing needs in the community, current conventional zoning codes across the United States do not accommodate the design standards of these housing typologies. Aversion to increased density, parking requirements, minimum lot sizes, open space requirements and minimum building setbacks make it difficult, sometimes impossible, for missing middle housing types to be built. Many states outlaw accessory dwelling units entirely. As population composition changes, it is important for the built environment to reflect the needs of the people who live in an area. Planning and zoning can enable progressive and productive change on the housing front.

IMPLICATIONS OF ZONING PRACTICES

Accessory dwelling units and missing middle housing are gaining popularity throughout the United States. Systematic changes in zoning practice are gaining speed on the west coast, in places like California and Oregon. To allow for missing middle housing and accessory dwelling units, a complete overhaul of existing zoning codes is not necessary. Small-scale changes in the form of variances or targeted application can encourage missing middle development in existing neighborhood contexts.

Accessory Dwelling Units

Without dismantling existing zoning structures, accessory dwelling units can be permitted by right in single- and two-family zoning districts. The American Planning Association wrote about “Zoning for Accessory Dwelling Units” to provide insight into allowing accessory dwelling units under established zoning:

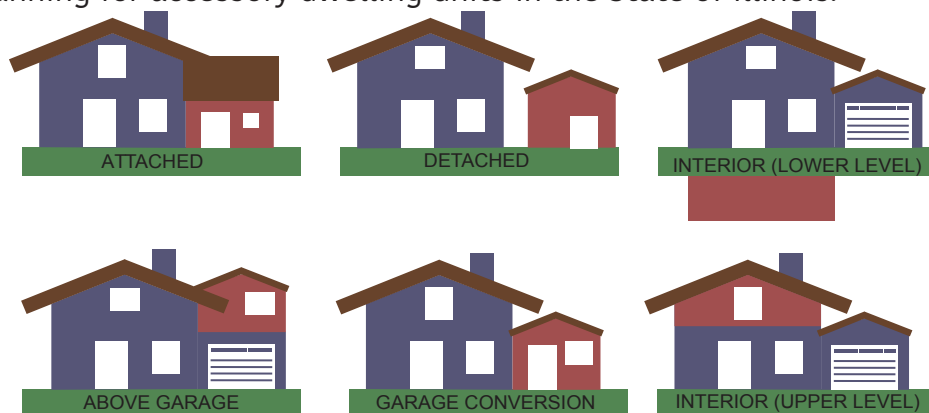
“Common provisions include an owner-occupancy requirement (for one of the two dwellings), dimensional and design standards to ensure neighborhood compatibility, and off-street parking requirements. Other relatively common provisions include minimum lot sizes and limits on the number of occupants or bedrooms. While some codes also include occupancy restrictions that stipulate that ADUs can only house family members or domestic employees, this type of restriction can severely limit the potential for ADUs to address a shortage of rental housing.”

The City of Evanston, a suburb of Chicago, recently adopted a policy to allow for existing coach houses to be rented out to non-family members, effective as accessory dwelling units. Existing accessory structures can be rented as dwelling units by right, with a rental registration permit. The policy does not allow for new accessory dwelling units to be constructed, but it is an introduction into a new available housing stock. Since Evanston enacted zoning to allow for the rental of existing coach houses, a bill was introduced to the Illinois House of Representatives.

Illinois HB4869 Local-Accessory Dwelling Units

Creates the Local Accessory Dwelling Unit Act. Defines terms. Provides that a unit of local government may not prohibit the building or usage of accessory dwelling units in the unit of local government. Provides that a unit of local government may provide reasonable regulations relating to the size and location of accessory dwelling units similar to other accessory structures unless a regulation would have the effect of prohibiting accessory dwelling units. Limits Home Rule powers.

Introducing policy to allow for rental registration and permitting could be a short-term goal for implementing accessory dwelling units. The introduction of the HB4869 Bill in Illinois elevates the importance of planning for accessory dwelling units in the State of Illinois.



Zoning Changes & Overlay Districts

Cities throughout the United States are also reforming their zoning codes to allow for more flexible development, beyond just accessory dwelling units. Zoning changes do not need to come in the form of new residential zoning categories or an overhaul of the current zoning ordinance.

In November of 2016, the Incremental Development Alliance compiled a report, the Missing Middle Housing Types for Chattanooga. The document looks specifically at historically underserved neighborhoods in Chattanooga to spearhead infill development and operationalize building plans. In Chattanooga's specific case, building types were proposed based on local architecture and building precedents. The types of buildings proposed were missing middle typologies that fit best with the established community: live-work buildings, small-scale apartment buildings, medium-scale apartment buildings, and accessory dwelling units. The Incremental Development Alliance, with the Lyndhurst Foundation and the Chattanooga Neighborhood Enterprise, coordinated with the Chattanooga Regional Planning Agency to explore the possibility of pre-approved variances or zoning classifications customized for a specific set of designs. The Incremental Development Alliance's approach in Chattanooga was specific to the existing built environment, but displays the opportunity for missing middle housing under current zoning codes.

The Incremental Development Alliance also worked in Columbus, Georgia to spur infill development in the MidTown neighborhood. The document Unlocking MidTown's Potential, A proposal to make small-scale development possible in MidTown, Columbus examines optimizing value-per-acre in development with respect to missing middle housing.

The Incremental Development Alliance utilized an overlay district in MidTown as a means of an alternative set of zoning rules. The goals of the overlay district were to:

1. Legalize the built heritage of Columbus -- re-establish the "missing middle" precedents already present in the MidTown area through repair, renovation and rebuilding
2. Put the MidTown Tax Allocation District (TAD) to work -- reinvest development revenues into infrastructure and public realm improvements
3. Make building approvals more straight forward and predictable -- encourage small-scale developers to build quality projects by-right

The MidTown overlay district implemented changes in minimum lot widths and setbacks to promote higher density development on infill properties. The changes in development regulations applied to commercial and residential properties in the district. Figure 1 below shows how changes in the RMF1 - Residential Multi-Family 1 district look in practice.

Figure 1: MidTown Overlay District - Residential Multi-Family 1 Zoning Changes in Practice

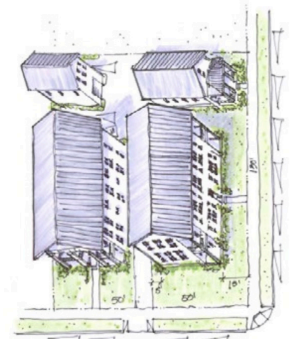
SAMPLE LOT: 50FT WIDE, 130FT DEEP, 6,500 SF

Current Zoning



Without violating the upper limits of minimum lot size (3000 sf/unit) and density (14.5 units/acre), only a duplex can be built on a 50ft wide lot.

Proposed Zoning



A quadplex of approximately 4000 sf can easily fit, including reasonable off-street parking.

IMPLICATIONS OF ZONING PRACTICES

Form-Based Zoning Codes

On a broader scale, some cities are using form-based zoning codes, rather than traditional zoning codes, to regulate development based on physical form rather than separation based on land use. Conventional zoning codes rely on two mechanisms:

1. Limiting land use, frequently segregating residential, commercial, industrial and agricultural uses; and
2. Directing physical forms by prescribing the size of buildings -- setting maximums (height, lot coverage, density and occupancy) and minimums (unit size, setbacks and parking)

Rather than relying on density, floor area ratio and setbacks, among other things, form-based codes are more concerned with building and street types, building frontages and number of stories. Adjusting from use-based codes to form-based codes disconnects zoning from regulation by land use. Form-based codes apply building form standards by district, that do not control the land use on a specific parcel. Form-based codes are concerned with street and building types (or a mix of types), build-to lines, number of floors, and percentage of built site frontage specified.

Minneapolis, Minnesota's 2040 Comprehensive Plan concentrates on regulation based on built form. One goal of the 2040 Comprehensive Plan is to "ensure that all Minneapolis residents will be able to afford and access quality housing throughout the city." Minneapolis still utilizes regulation by land use to a degree, but building typology and design are also considered. 14 "built form districts" guide the scale of development on a parcel-by-parcel basis. Building design is characterized by the number of dwelling units, number of stories, and the combination of lots. The characteristics of each built form district vary based on location, transit access, and functionality.

Minneapolis is not the only city to utilize form-based coding. Other cities such as Cincinnati and Madison have implemented similar development zones and codes that regulate based on design. To enact a form-based code, rather than a conventional zoning code, would require a complete overhaul of a city's existing development regulations. Many cities aren't prepared, or don't have the support of the public, to overhaul existing zoning codes.

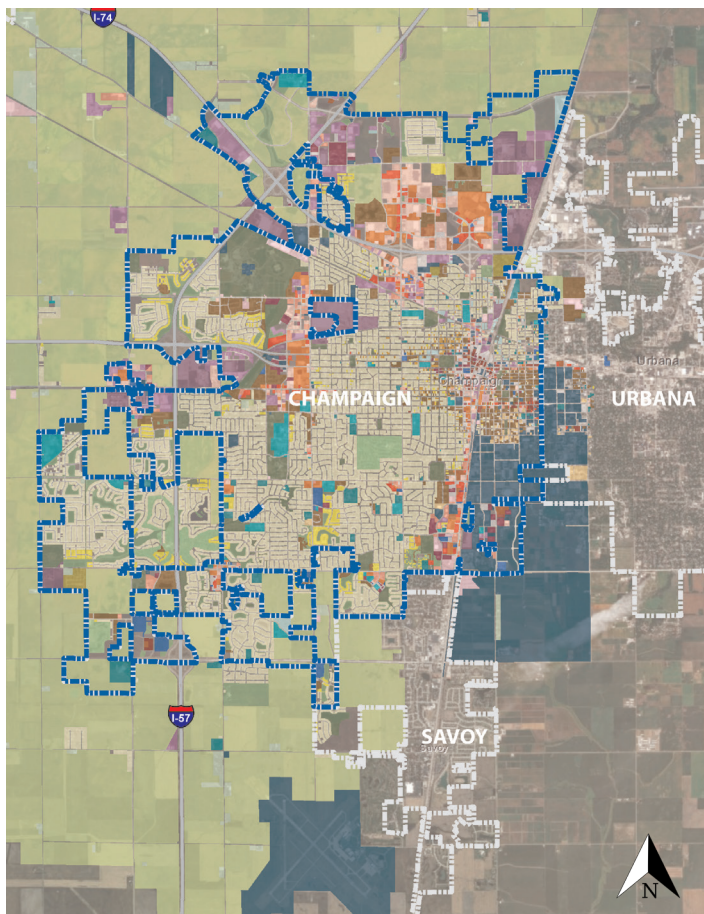
Implementing a form-based zoning code to better organize development is a long-term goal that could start with allowing missing middle housing typologies and accessory dwelling units, even if designated to specific areas.

There are distinct differences between conventional land-use-based zoning codes and form-based zoning codes. The side by side comparison of the City of Champaign's 2017 Land Use Map and the City of Minneapolis's Built Form Map can be seen on page 7. Figure 2 shows the existing land uses in Champaign, as of 2017. Figure 3 shows the built form districts throughout Minneapolis that will be implemented during the city's 2040 planning process.

CITY OF CHAMPAIGN

The City of Champaign's Planning and Development Department is in the midst of a comprehensive plan update. In order to encourage further development of missing middle housing and accessory dwelling units, introducing the concepts as an informational piece, with details of expected economic impacts, will help to inform elected officials and the public about the importance of diversified housing options and zoning to allow for different types of living. While a form-based zoning code is not likely to be implemented during the 2020 Comprehensive Plan Update, it may be a future option for planning and development in Champaign.

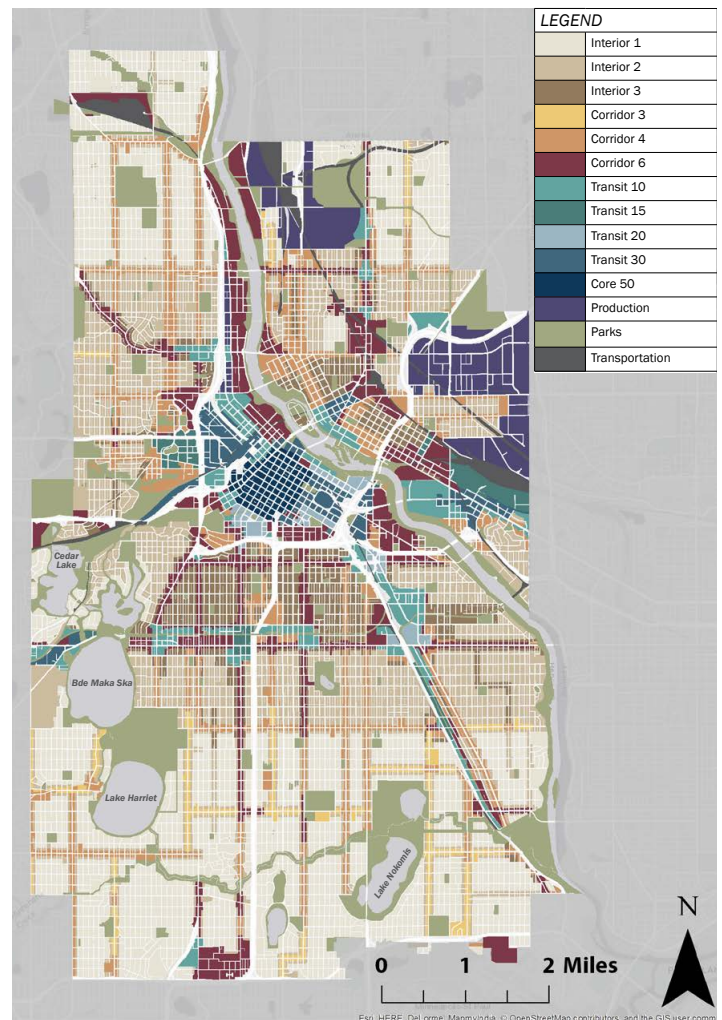
Figure 2: City of Champaign Land Use Map 2017



Legend

Champaign Municipal Boundary	Commercial Entertainment	Mobile Homes
Neighboring Municipalities	Mixed Commercial	Utility/Telecommunications
Interstates	Hotel/Motel	School
Existing Land Use	Private Open Space	Place of Worship
<all other values>	Surface Parking	Community Facility
Existing Land Use	Medical Clinic/Office	Multifamily Conversion
Group Home	Urban Mixed Use	Multifamily
Rural Residential	Office	Public Open Space
Vacant (Public Owned)	Light Industrial	<Null>
Vacant (Developable)	Heavy Industrial	Attached Residential
Commercial Retail	Agriculture	Detached Residential
Commercial Services	Golf Course	

Figure 3: City of Minneapolis Built-Form Map



LEGEND	
	Interior 1
	Interior 2
	Interior 3
	Corridor 3
	Corridor 4
	Corridor 6
	Transit 10
	Transit 15
	Transit 20
	Transit 30
	Core 50
	Production
	Parks
	Transportation

CITY OF CHAMPAIGN

The City of Champaign currently employs a traditional, land-use based zoning code. With that said, there are nuances in the existing zoning code that can be seen throughout the community. Residential zoning districts are separated into SF1 Single-Family, SF2 Single-Family and Two-Family, MF1, MF2 and MF3 for varying intensities of multi-family residential, MFUniv for the University of Illinois residential districts. In September 2018, the City of Champaign implemented the In-Town residential zoning districts which are clustered closest to Downtown Champaign. The In-Town districts are subject to additional development standards than other residential districts in Champaign. The In-Town residential districts are similar to the overlay district in MidTown Columbus, Georgia. Specific design standards were put in place by the residents of the area, Planning & Development staff and the Champaign City Council.

Following the In-Town zoning district re-write, residents proposed a conservation district for the neighborhood surrounding Champaign's Clark Park beginning in October 2018. The conservation district was proposed in order to preserve the historically and architecturally significant structures in the neighborhood. The Clark Park conservation district would have "imposed some limitations on a property owner's ability to modify the exterior of their structure or build or demolish structures in part or in whole." The proposed conservation district was ultimately denied by the Champaign City Council in January 2019. While the City of Champaign has already experienced neighborhood organization and City Council approval of design standards in the community, there has not been a significant push for increased density or housing typologies that align with missing middle housing. With that said, there remains a demand for diverse, affordable housing in Champaign.

Figure 3 shows the land uses in the City of Champaign as of 2017. Aside from the traditional residential zoning district uses, multi-family conversion units are also shown on the map in the brown/orange color. Multi-family conversions are particularly important when discussing missing middle housing and accessory dwelling units. Multi-family conversions were once single-family homes that have been internally converted over time to include multiple dwelling units. The exterior of the structures remains the same, so the character of the overall neighborhood is not affected. Multi-family conversions represent increased density in existing neighborhoods, without influencing the outward appearance. Missing middle housing and accessory dwelling units have the potential to create the same effect: increased density and diversified housing options, without altering the character of existing neighborhoods.

For the City of Champaign and Champaign County as a whole, there is a demand for more flexible, affordable housing. Champaign-Urbana has a unique housing market, largely characterized by renters. In Champaign County, 45% of housing units are renter-occupied. The large renting population in Champaign could be attributed to the University of Illinois and student populations looking for rental properties. It could also be attributed to lower income populations and the millennial generation opting to rent rather than buy a home. For comparison, New York has a renter population of about 65%, and Chicago's renting population makes up about 51.5% of occupants.

Other college towns such as Madison, Wisconsin and Minneapolis, Minnesota have renter populations right around 50%. With roughly half of the population seeking rental opportunities, there is a need for a housing match. There is a latent demand for flexible, more affordable housing.

MISSING MIDDLE HOUSING TYPOLOGIES: CITY OF CHAMPAIGN

Missing Middle Housing types already exist in the City of Champaign!



Bungalow Court



Carriage House



Attached Duplex



Multiplex Apartment



Townhomes



Triplex Apartment

DISCUSSION: PUBLIC ENGAGEMENT AND IMPLEMENTATION

The next steps for introducing and implementing zoning to encourage accessory dwelling units and missing middle housing in the City of Champaign center around the city's planning and development department and the public. Because there has been significant pushback around increased density in established neighborhoods, it is vital to involve the Champaign public in information sharing events about missing middle housing and accessory dwelling units.

Challenges with Implementation

Missing middle housing typologies are faced with challenges of suitability from a zoning perspective. Zoning requirements and development regulations such as minimum lot sizes, required yards and setbacks control what can happen on a specific lot. Missing middle housing types such as duplexes, courtyard apartments and live/work buildings challenge the allowances of conventional zoning. The missing middle housing movement aims to integrate mixed densities and more walkable development into existing communities, but many existing zoning codes make it difficult for this to be possible. Regulation of the built environment from a zoning and policy standpoint poses challenges for missing middle housing typologies. Opticos Design discusses the inherent conflicts between missing middle housing and conventional zoning:

"Because MMH contains multiple units, it is, by definition, not allowed in single-family zones. Most multifamily zones in conventional codes allow much bigger buildings (taller and wider) and also typically encourage lot aggregation and large suburban garden apartment buildings. The environments created by these zones are not what Missing Middle Housing is intended for."

Zoning challenges are also connected to developer willingness to build housing typologies that fit with missing middle housing. Missing middle housing includes housing types such as duplexes, triplex and fourplexes,

courtyard apartments, bungalow courts, townhomes and live/work buildings. Developers are unable to build a variety of housing types and sizes under many existing zoning codes. Planned unit developments can offer an added degree of zoning flexibility, but they are often subject to increased scrutiny during the planning process. In order for developers to build housing types to meet the changing housing demand, zoning codes and development regulations must allow for their construction.

Much of the housing market depends on buyer preference and demand. While zoning regulations already pose an issue for constructing many of these housing types, buyer and renter preference is also a relevant consideration. The national population is experiencing major demographic shifts: the aging of the baby boomer population, the emergence of the Millennial generation into the workforce, and Generation Z is entering adulthood. The national population is also becoming more diverse, which puts new pressures on the existing housing stock. During the early 2000s, the United States experienced a housing boom that fueled the construction and sale of thousands of single-family homes throughout the country. Since 2007, after the burst of the "housing bubble", the demand for single-family homes has not been the same. In conjunction with changing demographics, the housing demand has shifted from single-family homes to more flexible living options in more walkable locations. As the housing demand changes, developer willingness to build these housing typologies should mirror the demands of the community.

Public involvement in the planning process and support for missing middle housing typologies in Champaign correlates with developer willingness to build and city cooperation to allow for these types of homes.

In order for policy changes to be made locally, public support and governmental cooperation are required to pass more flexible zoning regulations. Missing middle housing typologies rely on the more flexible zoning codes, developer willingness to build different housing types, and buyer and renter willingness to live in these homes. The City of Champaign has started the conversation about missing middle housing, but there is still a need for public push and interest in this process.

Accessory dwelling units and associated policy changes face one plausible scenario of community pushback. Before the physical dwelling unit is ever built, it is very possible that conversations around the topic end policy before it is even introduced. The City of Champaign has grappled with recent contentious public hearings around increasing density in established neighborhoods. Residents in neighborhoods close to downtown have consistently argued against rezoning parcels from single- or two-family zoning to any level of multi-family zoning. While accessory dwelling units constitute a different level of increased density, the disapproval around any “density” at all may be enough to end accessory dwelling unit policy before it reaches City Council. With that said, discouraging accessory dwelling units will only add to other housing market issues. As previously stated, Champaign has a renter population of nearly 50%. As University of Illinois class size continues to grow, and millennial and baby boomer generations look for more flexible housing options, the existing housing market will undergo pressure to meet housing demand.

Another plausible scenario regarding accessory dwelling unit success would be reciprocal effects with the existing rental housing market. The center of Champaign’s rental housing market is the University’s campus-town area. While these units likely don’t appeal to undergraduate students, graduate students

and emerging professionals may opt to live in more attainably-priced accessory dwelling units close to downtown and campus. Depending on the scale of growth, affordable units in established areas may help to keep market-rate rents at an attainable level. As accessory dwelling units emerge in existing neighborhoods, the density of these areas will naturally increase. Increased population density in established neighborhoods and near high-activity areas will also have reciprocal economic impacts. Ideally, accessory dwelling units will lead to increased transit ridership, economic activity and spending in core commercial areas, and increased infill development close to downtown.

Recommendations for Champaign

In the midst of the City of Champaign’s comprehensive plan update, Planning and Development staff should introduce missing middle housing and accessory dwelling units as an information piece to the public. Following the comprehensive plan update, Champaign should take action to legalize all existing coach houses and accessory structures for accessory dwelling use. A rental registration program should be initiated to keep track of accessory dwelling unit residences, and allow for safe and legal permitting. Similar to the City of Evanston, this will allow for increased density in residential districts without allowing for new construction of accessory dwelling units. This will also act as a pre-emptive action, preceeding the legalization of all accessory dwelling units per the HB4869 Bill.

Rather than implementing a form-based zoning code, the City of Champaign should institute overlay districts in Downtown and In-Town residential areas. Champaign has a diverse residential organization, with dense urban areas closest to downtown and Campustown, and more suburban-like neighborhoods further from the city center. Overlay districts in existing residential areas will encourage missing middle housing development that fits the existing character.

DISCUSSION: PUBLIC ENGAGEMENT AND IMPLEMENTATION

In recent years, the City of Champaign has seen increased infill development, as opposed to the greenfield development seen in the early and mid-2000s. Developers are interested in building residential developments on parcels closer to the city center, and older dilapidated buildings are being torn down to allow for new construction. Implementing overlay districts similar to those seen in Columbus, Georgia, will impart design regulations coupled with a moderate increase in density. Overlay districts that prioritize missing middle housing typologies will encourage diverse, attainable residential developments, without out-scaling the existing historic neighborhoods of Champaign. This will also help to appease established residents who are opposed to large-scale apartment buildings.

A complete elimination of single-family zoning and a transition to a form-based zoning code are not in Champaign's immediate future. With that said, progressive planning and zoning to allow for missing middle housing typologies and accessory dwelling units are a necessary step to accommodate the city's changing housing needs.

Missing Middle Housing Elsewhere

Looking beyond the City of Champaign, missing middle housing has a practical application on a larger scale. For this type of development to be successful and implementable, there should be integrated relationships between the public in any community, developers and government officials and planners. Policy changes will be the most significant amendment to the missing middle housing narrative. In order for missing middle housing types to be feasible from a development perspective, municipalities will need to make significant changes to their conventional zoning codes. Opticos Design proposes a systematic shift from conventional, land-use based zoning codes

to form-based zoning codes:

"Form-Based Coding is a proven alternative to conventional zoning that effectively regulates Missing Middle Housing. Form-Based Codes (FBCs) remove barriers and incentivize Missing Middle Housing in appropriate locations in a community. FBCs represent a paradigm shift in the way that we regulate the built environment, using physical form rather than a separation of uses as the organizing principle, to create predictable, built results and a high-quality public realm."

By making policy changes to allow for missing middle development, developers will be able to provide for the changing housing demand, while complying with city development standards. This systematic change is not something that will happen overnight, in any community. At the very least, conventional zoning and development regulations could be incrementally amended to allow for missing middle development.

A key piece in the missing middle housing movement is public involvement and support. While zoning changes are vital to allow for the development of missing middle housing, community support for Missing Middle Housing development will encourage elected and appointed leaders to enact systematic policy changes. This is only possible if residents understand the underlying housing access challenges and how enabling Missing Middle Housing can be a benefit to them as well. Organizing focus groups, involving the public in neighborhood meetings and providing info-sharing events to expose residents to the changes in policy and proposed housing typologies would create a level of transparency and trust with the community. For systematic policy changes to be made, the community needs to support city action. While there is already latent demand for missing middle housing typologies, city staff and developers need to utilize the already-present interest to spearhead policy and development progress.

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